

1R - 258

**GENERAL
CORRESPONDENCE**

YEAR(S):
2007 - 1998



IR 258

Matthew P. Hudson
Remediation Project
Manager

**Abandonment Business
Unit**
Chevron Environmental
Management Company
11111 S Wilcrest Dr
Room N2104A
Houston, TX 77009
Tel 281 561 3466
Fax 281 561 3841
mhkw@chevron.com

RECEIVED

March 6, 2007

Mr. Wayne Price
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

MAR 7 2007

Oil Conservation Division
Environmental Bureau

**Subject: 2006 Annual Groundwater Monitoring Report
Former New Mexico State "F" Tank Battery, Lea County, New Mexico
OGRID No. 4323**

Dear Mr. Price:

Please find enclosed one copy of the above-referenced report. This report provides information and details on the groundwater monitoring activities completed by Conestoga-Rovers and Associates (CRA) during 2006.

Should you have any questions concerning this report or the on-going work, please call myself at (281) 561-3466 or Luke Markham with CRA at (432) 686-0086.

Sincerely,

Matthew P. Hudson

Enclosure

cc: Patricia Caperton, NMOCD (electronic copy)
Luke Markham, CRA (cover letter only)



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MAR 07 2007

Oil Conservation Division
Geological Bureau

**2006 ANNUAL GROUNDWATER MONITORING
REPORT**

FORMER NEW MEXICO STATE "F" TANK BATTERY

OGRID NO. 4323

NE/4, SE/4, SECTION 24, T-19-S, R-36-E

LATITUDE: N 32° 38' 34.9" LONGITUDE: W 103° 18' 0.49"

LEA COUNTY, NEW MEXICO

VonGonten, Glenn, EMNRD

From: Price, Wayne, EMNRD
Sent: Tuesday, January 02, 2007 11:05 AM
To: VonGonten, Glenn, EMNRD
Subject: FW: New Mexico F State GW Remediation, Lea County, New Mexico (Update)

Glenn, Please check and make sure Santa Fe has control of this project.

Wayne Price-Senior Environmental Engr.
Oil Conservation Division
1220 S. Saint Francis
Santa Fe, NM 87505
E-mail wayne.price@state.nm.us
Tele: 505-476-3487
Fax: 505-4763462

From: Toner, Scott L (SToner) [mailto:SToner@chevron.com]
Sent: Wed 12/27/2006 7:37 AM
To: Caperton, Patricia, EMNRD; Price, Wayne, EMNRD
Cc: Markham, Luke; Mouser, Nathan (NVMO); Alexander, Sammy
Subject: New Mexico F State GW Remediation, Lea County, New Mexico (Update)

We have completed our evaluation of the new pump for recovering PSH at the New Mexico "F" State site. **The results with the Xitech pump were encouraging, and we have decided to go ahead and purchase the pump for continued use in the test well.** Presently the Xitech system is skimming oil from the ground water and the recovered product is pumped into a 55 gallon drum which has been placed inside an overpack drum. We believe this system is adequate as a temporary method for handling the oil based on the volume being recovered. And current weekly O&M site visits should be sufficient to monitor the level in the drum and have the oil removed before the drum becomes full.

While we are still not using the previous system (gunbarrel, oil and water tanks) in the recovery of PSH at the site, we have resumed recovery of oil from the ground water on an on-going basis again from the test well.

Our next step is to evaluate the other two recovery wells for similar or alternative recovery techniques. Since these two wells have historically had a smaller PSH thickness, the Xitech system may not be as efficient for these wells. Based on our evaluation, we will determine the best course of action for these two wells.

Either concurrent with this evaluation, or immediately after this work, we will also complete the following:

- Look at current facilities at this site and determine if they can be adapted/modified for the new oil recovery system. If not, a more suitable long-term recovery facility will be developed.
- Review monitoring and sampling schedule for the site to optimize system efficiency.

After we have completed our evaluation of the two remaining recovery wells for PSH removal, we will update you on our findings. We will also provide you with the status of any other work completed at that time.

Please forward this information to the appropriate personnel in your office.

If you have any questions, please contact me at the phone number below, or Luke Markham with Conestoga-Rovers and Associates at 432-686-0086.

1/2/2007

Scott Toner

Remediation Project Manager

Chevron Environmental Management Company

Abandonments Business Unit

11111 S. Wilcrest Drive

Houston, TX 77099

Tel (281) 561-3653

Fax (866) 718-4709

<mailto:stoner@chevron.com>

Confidentiality Note:

This e-mail message is intended solely for the individual or individuals named above. It may contain confidential attorney-client privileged information and attorney work product. If the reader of this message is not the intended recipient, you are requested not to read, copy or distribute it or any of the information it contains. Please delete it immediately and notify the sender by return e-mail or by telephone at (281) 561-4995.

From: Toner, Scott L (SToner)

Sent: Wednesday, December 13, 2006 11:57 AM

To: 'patricia.caperton@state.nm.us'; Price, Wayne

Cc: Markham, Luke; Mouser, Nathan (NVMO); Alexander, Sammy

Subject: FW: New Mexico F State GW Remediation, Lea County, New Mexico

The following is the update we said we would provide to you by December 14, 2006 on the work at the New Mexico "F" State GW Remediation site in Lea County, NM.

During our two week test, the pump was not operating properly. The test was suspended, a new part was ordered, and testing resumed with the repaired pump. Presently we are expecting that the testing will be completed on Tuesday, December 19, 2006. When the testing is completed, the results will be evaluated during the remainder of the week. We will provide you with another progress report by December 31, 2006, and update you on any planned actions to continue evaluation of other pumps, or proceed with getting the system back on.

Please forward this information to the appropriate personnel in your office.

If you have any questions, you can contact me at the phone number below, or Luke Markham with Conestoga-Rovers and Associates at 432-686-0086.

Scott Toner

Remediation Project Manager

Chevron Environmental Management Company

Abandonments Business Unit

11111 S. Wilcrest Drive

Houston, TX 77099

Tel (281) 561-3653

Fax (866) 718-4709

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From: Toner, Scott L (SToner)
Sent: Thursday, November 30, 2006 12:19 PM
To: 'patricia.caperton@state.nm.us'; Price, Wayne
Cc: Markham, Luke
Subject: FW: New Mexico F State GW Remediation, Lea County, New Mexico

This is the update we said we would provide to you by December 4, 2006 on the work at the New Mexico "F" State GW Remediation site in Lea County, NM.

Currently the evaluation of a new oil recovery pump is still in progress, so the system is still shut down. It is expected that the current testing will be completed by Tuesday, December 12, 2006. Following completion of this work, it will be determined whether the pumps that were just tested will be used, or if another type of pump needs to be evaluated. We will provide you with a progress report by Thursday, December 14, 2006, and update you on the planned actions to continue evaluation of other pumps, or proceed with getting the system back on.

Please forward this information to the appropriate personnel in your office.

If you have any questions, you can contact me at the phone number below, or Luke Markham with Conestoga-Rovers and Associates at 432-686-0086.

Scott Toner
Remediation Project Manager

Chevron Environmental Management Company
Abandonments Business Unit
11111 S. Wilcrest Drive
Houston, TX 77099
Tel (281) 561-3653
Fax (866) 718-4709

<mailto:stoner@chevron.com>

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From: Toner, Scott L (SToner)
Sent: Tuesday, November 14, 2006 1:28 PM
To: 'patricia.caperton@state.nm.us'; 'Price, Wayne, EMNRD'
Cc: 'Markham, Luke'

Subject: New Mexico F State GW Remediation, Lea County, New Mexico

Please be advised that on Monday, November 20, 2006, the oil recovery system at the New Mexico "F" State Ground Water Remediation Project site in Lea County, NM will be shut down in order to evaluate a different method of recovering the Phase Separated Hydrocarbons from the ground water. We anticipate the system will be out of service for approximately two weeks while this work is completed. I will provide you with an update on the status of the system on or before December 4, 2006.

Please forward this information to the appropriate personnel in your office.

If you have any questions, you can contact me at the phone number below, or you can contact Luke Markham with Conestoga-Rovers and Associates at 432-686-0086.

Scott Toner

Remediation Project Manager

Chevron Environmental Management Company

Abandonments Business Unit

11111 S. Wilcrest Drive

Houston, TX 77099

Tel (281) 561-3653

Fax (866) 718-4709

<mailto:stoner@chevron.com>

Confidentiality Note:

This e-mail message is intended solely for the individual or individuals named above. It may contain confidential attorney-client privileged information and attorney work product. If the reader of this message is not the intended recipient, you are requested not to read, copy or distribute it or any of the information it contains. Please delete it immediately and notify the sender by return e-mail or by telephone at (281) 561-4995.

Price, Wayne

From: Price, Wayne
Sent: Thursday, May 19, 2005 12:00 PM
To: Scott Toner (E-mail); Mark Larson (E-mail)
Cc: VonGonten, Glenn; Sheeley, Paul; Johnson, Larry
Subject: Texaco New Mexico State F OCD Case # 1R0258

OCD is in receipt of the 2004 annual groundwater remediation and monitoring report and hereby approves of the recommendations with the additional following conditions:

1. Texaco shall notify OCD with 15 days of any activity that causes the remediation system to cease operations.
2. Texaco shall notify the NMOCD within 15 days of the discovery of separated-phase hydrocarbons or the exceedance of a WQCC standard in any down gradient monitor well where separate-phase hydrocarbons were not present or where contaminant concentrations did not exceed WQCC standards during the preceding monitoring event.

Please be advised that NMOCD approval of this plan does not relieve (Texaco) of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (Texaco) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

In the future all reports for this site shall be addressed to Mr. Glenn von Gonten.

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

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OIL CONSERVATION
DIVISION

May 10, 2005

Mr. Wayne Price
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

1R258

Re: Annual Groundwater Monitoring Report, Revised Figure 4, Texaco Exploration and Production Inc., New Mexico "F" State Tank Battery, NE/4, SE/4, Section 24, Township 19 South, Range 36 East, Lea County, New Mexico

Dear Mr. Price:

Please find enclosed a revised Figure 4, to replace Figure 4 included in the above-referenced report. The report was submitted on behalf of ChevronTexaco Exploration & Production Company, and presents the results of annual groundwater monitoring conducted by Larson and Associates, Inc.

I apologize for the inconvenience. Please call Scott Toner at (432) 687-7318 or myself at (432) 687-0901 if you have questions, or we may be reached by email at stoner@chevrontexaco.com or Cindy@LAenvironmental.com.

Sincerely,
Larson and Associates, Inc.



Cindy K. Crain, P.G.
Project Manager

cc: Scott Toner - ChevronTexaco
Chris Williams - NMOCD District I
Jim Buice - CRA

May 6, 2005

Mr. Wayne Price
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Annual Groundwater Monitoring Report, Texaco Exploration and Production Inc., New Mexico "F" State Tank Battery, NE/4, SE/4, Section 24, Township 19 South, Range 36 East, Lea County, New Mexico

Dear Mr. Price:

Please find enclosed a copy of the above-referenced report. The report is submitted on behalf of ChevronTexaco Exploration & Production Company, and presents the results of annual groundwater monitoring conducted by Larson and Associates, Inc. Please call Scott Toner at (432) 687-7318 or myself at (432) 687-0901 if you have questions.

Sincerely,
Larson and Associates, Inc.



Cindy K. Crain, CPG
Project Manager

cc: Scott Toner - ChevronTexaco
Chris Williams - NMOCD District I
Jim Buice - CRA

112258

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MAY 03 2004

OIL CONSERVATION
DIVISION

April 29, 2004

Mr. William C. Olson, Hydrologist
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Annual Groundwater Monitoring Report, Texaco Exploration and
Production Inc., New Mexico "F" State Tank Battery, NE/4, SE/4, Section 24,
Township 19 South, Range 36 East, Lea County, New Mexico**

Dear Mr. Olson:

Please find enclosed a copy of the above-referenced report. The report is submitted on behalf of ChevronTexaco Exploration & Production Company, and presents the results of annual groundwater monitoring conducted by Larson and Associates, Inc. Please call Scott Toner at (432) 687-7318 or myself at (432) 687-0901 if you have questions.

Sincerely,
Larson and Associates, Inc.



Cindy K. Crain, CPG
Project Manager

cc: Scott Toner - ChevronTexaco
Chris Williams - NMOCD District I

1R258

Olson, William

From: Cindy Crain [cindy@laenvironmental.com]
Sent: Tuesday, December 02, 2003 2:02 PM
To: Bill Olson; Paul Sheeley
Cc: Scott Toner
Subject: Groundwater Monitoring at Texaco E&P, New Mexico "F" State

Bill / Paul,

On behalf of ChevronTexaco, Larson & Associates, Inc. will be conducting groundwater monitoring activities at the New Mexico "F" State Tank Battery, located in Unit Letter I (NE/4, SE/4), Section 24, Township 19 South, Range 36 East, Lea County, NM.

Activities are scheduled to begin on Thursday, December 4, 2003.

Please feel free to call if you have any questions or need additional information.

Sincerely,

Cindy Crain
Project Manager/Geologist
Larson and Associates, Inc.
507 N. Marienfeld, Suite 202
Midland, Texas 79702
office - (432)687-0901
mobile - (432)556-8665

RECEIVED

MAR 10 2003

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

March 5, 2003

Mr. William C. Olson, Hydrologist
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Annual Groundwater Monitoring Report, Texaco Exploration and
Production Inc., New Mexico "F" State Tank Battery, NE/4, SE/4, Section 24,
Township 19 South, Range 36 East, Lea County, New Mexico**

Dear Mr. Olson:

Please find enclosed a copy of the above-referenced report. The report is submitted on behalf of ChevronTexaco Exploration and Production and presents the results of annual groundwater monitoring conducted by Larson and Associates, Inc. Please call Scott Toner at (915) 687-7318 or myself at (915) 687-0901 if you have questions.

Sincerely,
Larson and Associates, Inc.



Cindy K. Crain
Geologist

cc: Scott Toner - Texaco
Chris Williams - NMOCD District I
File

2001 JAN 12 AM 11:02

BEFORE THE NEW MEXICO STATE ENGINEER

IN THE MATTER OF THE APPLICATIONS BY)
TEXACO EXPLORATION AND PRODUCTION)
INC., FOR PERMITS TO DIVERT GROUND-)
WATER FROM THE LEA COUNTY AND CAPITAN)
UNDERGROUND WATER BASINS IN NEW MEXICO)

HEARING NO: 00-037
OSE FILE NO: L-11029 thru L-11031
& CP-884 thru CP-886

OFFICE OF THE
STATE ENGINEER
WATER RIGHTS UNIT
SANTA FE, N.M.

PRE-HEARING SCHEDULING ORDER

This matter came before the State Engineer's duly designated Hearing Examiner Louis D. O'Dell on December 7, 2000, at an administrative pre-hearing scheduling conference in Santa Fe, New Mexico. The Applicant, Texaco Exploration and Production, Inc., was represented by Joel T. Newton, Scott McKay, Esq., and Robert Patterson, Esq. The Protestants, Jim Cooper, Becky Jo Doom, Bill and Elena Grobe, George and Joyce Willis, Tom and Winnie Kennann, were represented by Michael Newell, Esq. The New Mexico Office of the State Engineer's Water Rights Division ("WRD") was represented by Ann Finley Wright, Esq.

This Pre-Hearing Order sets forth the issues that will be addressed at the administrative hearing and specifies deadlines by which the following items shall be completed: (a) identification of the names of the witnesses to be called by the parties, (b) filing reports and exhibits, (c) discovery, (d) filing of Pre-Hearing Motions and (e) the date of the hearing on the merits.

1. NATURE OF THE APPLICATIONS.

On October 1, 1999, the Applicant filed Application No. L-11,029 For Permit to Divert up to 3.0 acre-feet of shallow groundwater per year ("afy") from the Lea County Underground Water Basin in New Mexico and commence the use of ground water recovery Well No. 2 and numbered L-11,029 and located in the NE1/4 SE1/4 of section 24, Township ("T") 19 South ("S"), Range ("R") 36 East ("E"), N.M.P.M., for environmental remediation purposes. Ground water will be recovered from Well No. L-11,029 and disposed of in Applicant's disposal system.

On October 1, 1999, the Applicant filed Application No. L-11,030 For Permit to Divert up to 3.0 afy of shallow groundwater from the Lea County Underground Water Basin in New Mexico and

commence the use of existing ground water recovery Well No. 1, WRD File No. L-11,030 and located in the NW1/4 SE1/4 of Section 24, T19S, R36E, N.M.P.M., for environmental remediation purposes. Ground water will be recovered from Well No. L-11,030 and disposed of in Applicant's disposal system.

On October 1, 1999 the Applicant filed Application No. L-11,031 For Permit to Divert up to 3.0 afy of shallow groundwater from the Lea County Underground Water Basin in New Mexico and commence the use of groundwater recovery Well No. 3, WRD File No. L-11,031 and located in the NE1/4 SE1/4 of Section 24, T19S, R36E, N.M.P.M., for environmental remediation purposes. Ground water will be recovered from Well No. L-11,030 and disposed of in Applicant's disposal system.

On October 1, 1999 the Applicant filed Application No. CP-884 For Permit to Divert up to 32.5 afy of shallow groundwater from the Capitan Underground Water Basin in New Mexico and commence the use of groundwater recovery Well No. 2, WRD File No. CP-884 and located in the NW1/4 NW1/4 SE1/4 of Section 24, T24S, R36E, N.M.P.M., for environmental remediation purposes. Ground water will be recovered from Well No. CP-884 and disposed of in Applicant's disposal system.

On October 1, 1999 the Applicant filed Application No. CP-885 For Permit to Divert up to 32.5 afy of shallow groundwater from the Capitan Underground Water Basin in New Mexico and commence the use of groundwater recovery Well No. 2, WRD File No. CP-885 and located in the NW1/4 NW1/4 SE1/4 of Section 24, T24S, R36E, N.M.P.M., for environmental remediation purposes. Ground water will be recovered from Well No. CP-885 and disposed of in Applicant's disposal system.

On October 1, 1999 the Applicant filed Application No. CP-886 For Permit to Divert up to 6.5 afy of shallow groundwater from the Capitan Underground Water Basin in New Mexico and commence the use of groundwater recovery Well No. 1, WRD File No. CP-886 and located in the SW1/4 SE1/4 of Section 35, T24S, R37E, N.M.P.M., for environmental remediation purposes. Ground water will be recovered from Well No. CP-886 and disposed of in Applicant's disposal system.

The individuals listed above filed protests to the granting of the Applications.

2. JURISDICTION.

The jurisdiction of the State Engineer is invoked pursuant to NMSA 1978, Section 72-12-3 (1985).

3. STATEMENT OF THE ISSUES

- A. Whether granting the Applications would result in impairment to existing water rights.
- B. Whether granting the Applications would be detrimental to the public welfare of the state.
- C. Whether granting the Applications would be contrary to the conservation of water within the state.

4. DISCLOSURE OF WITNESSES AND EXHIBITS

Witness Identification: On or before **March 15, 2001** each party shall disclose to the others all expert and fact witnesses who may be called at the hearing of this matter. Disclosure shall be by witness lists that contain the name and address of each witness, an indication of whether the witness will be offered as an expert and a summary of anticipated testimony. The lists shall also be filed with the Hearings Unit by **March 15, 2001**.

Final Witness Identification: On or before **June 15, 2001** each party shall disclose to the others all final expert and fact witnesses who may be called at the hearing of this matter. Disclosure shall be by witness lists that contain the name and address of each final witness, an indication of whether the final witness will be offered as an expert and a summary of anticipated testimony. The lists shall also be filed with the Hearings Unit by **June 15, 2001**.

Exhibits: On or before **June 15, 2001**, each party shall disclose and exchange any and all exhibits and reports to be offered into evidence at the hearing. The exhibits shall be bound in an appropriate folder or binder, indexed and labeled for identification. The parties shall file the exhibits index with the Hearings Unit by **June 15, 2001**.

5. DISCLOSURE OF REBUTTAL WITNESSES AND EXHIBITS

All rebuttal witnesses are to be disclosed and rebuttal exhibits to be used at hearing are to be exchanged between the parties on or before **July 16, 2001**, in the same manner as set forth in Section 4, above. The rebuttal witness lists and exhibits indexes are to be filed with the Hearings Unit by **July 16, 2001**.

6. CLOSE OF DISCOVERY

The deadline for conclusion of discovery is **August 15, 2001**.

7. MOTIONS AND OBJECTIONS

The deadline for filing dispositive motions and written objections to a proposed witness or exhibit is **August 31, 2001**. Any exhibit not objected to in writing by **August 31, 2001**, shall be deemed admitted into evidence at the hearing.

8. FILING AND SERVICE

Filing of pleadings, exhibits and documents are to be made in triplicate (original and two copies) to the Hearings Unit, Office of the State Engineer, P.O. Box 25102, Santa Fe, New Mexico, 87504-5102. The physical location of the Hearings Unit office is at 607 Cerrillos Road, Suite E of the Peralta Complex on the corner of Cerrillos Road and Paseo de Peralta, Santa Fe, New Mexico. A copy of any pleading or other document submitted for filing must be served by the submitting party upon the other parties. Upon request, a file stamped copy of the submission will be returned to the submitting party if an extra (third) copy and a stamped, self-addressed envelope is provided with the submission. Service may be made upon the parties in accordance with the attached certificate of mailing unless otherwise notified per entry of appearance or other writing filed in this matter.

9. PRE-HEARING CONFERENCE

If the Hearing Examiner deems it necessary to address objections, outstanding motions or

other matters prior to hearing, a Pre-Hearing Administrative Conference will be scheduled on **October 9, 2001**. The parties will receive advance written notice of the scheduling.

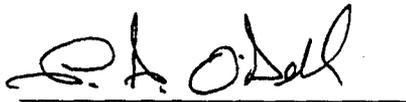
10. HEARING

The hearing of this matter is scheduled to commence on **October 16, 2001** in Hobbs, New Mexico at a location to be announced. It is anticipated that the hearing will take no more than three days.

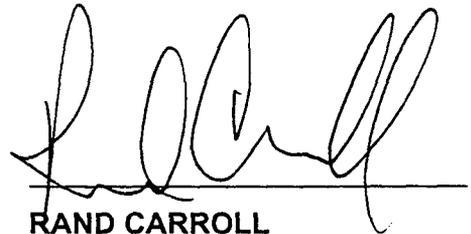
11. MODIFICATION

This Order shall control these proceedings, except that it may be modified with the consent of the parties and the Hearing Examiner or at the discretion of the Hearing Examiner for good cause shown.

IT IS SO ORDERED THIS 11TH DAY OF JANUARY 2001 .



**LOUIS D. O'DELL
HEARING EXAMINER**



**RAND CARROLL
LEGAL ADVISOR**

PARTIES ENTITLED TO NOTICE

HU # 00-037

I certify that a copy of the foregoing Pre-Hearing Scheduling Order was mailed to the following parties on the 12th day of January 2001


F. Eileen Serna, Administrator

Water Rights Division

Ann Finley Wright, Esq.
Office of the New Mexico State Engineer
P. O. Box 25102
Santa Fe, New Mexico 87504-5102

APPLICANT

Joel T. Newton, Esq.
Miller, Stratvert & Torgerson, PA
P. O. Box 1986
Santa Fe, New Mexico 87504-1986

PROTESTANTS

Michael Newell, Esq.
Heidel, Samberson, Newell & Cox
P. O. Drawer 1599
Lovington, New Mexico 88260
(505) 3396-5303

(Attorney for Jim Cooper, Becky Jo Doom, Bill
and Elena Grove and George and Joyce Willis)

cc: William C. Olson, Hydrologist
Dept. of Energy & Minerals, OCD,EB
2040 South Pacheco Street
Santa Fe, New Mexico 87505

NOV 27 2000

MILLER, STRATVERT & TORGERSON, P.A.
LAW OFFICES

RANNE B. MILLER
ALAN C. TORGERSON
ALICE T. LORENZ
GREGORY W. CHASE
LYMAN G. SANDY
STEPHEN M. WILLIAMS
STEPHAN M. VIDMAR
ROBERT C. GUTIERREZ
SETH V. BINGHAM
JAMES B. COLLINS
TIMOTHY R. BRIGGS
RUDOLPH LUCERO
DEBORAH A. SOLOVE
GARY L. GORDON
LAWRENCE R. WHITE
SHARON P. GROSS
VIRGINIA ANDERMAN
MARTE D. LIGHTSTONE
J. SCOTT HALL
THOMAS R. MACK
TERRI L. SAUER
JOEL T. NEWTON
THOMAS M. DOMME

RUTH O. PREGENZER
JEFFREY E. JONES
MANUEL I. ARRIETA
ROBIN A. GOBLE
JAMES R. WOOD
DANA M. KYLE
KIRK R. ALLEN
RUTH FUESS
KYLE M. FINCH
H. BROOK LASKEY
KATHERINE W. HALL
FRED SCHILLER
PAULA G. MAYNES
MICHAEL C. ROSS
CARLA PRANDO
KATHERINE N. BLACKETT
JENNIFER L. STONE
ANDREW M. SANCHEZ
M. DYLAN O'REILLY
AMINA QUARGNALI-LINSLEY
BEATE BOUDRO
JENNIFER D. HALL

COUNSEL

PAUL W. ROBINSON
ROSS B. PERKAL
JAMES J. WIDLAND
BRADLEY D. TEPPE
GARY RISLEY

OF COUNSEL
WILLIAM K. STRATVERT
RALPH WM. RICHARDS

ALBUQUERQUE, NM

500 MARQUETTE N.W., SUITE 1100
POST OFFICE BOX 25687
ALBUQUERQUE, NM 87125-0687
TELEPHONE: (505) 842-1950
(800) 424-7585
FACSIMILE: (505) 243-4408

FARMINGTON, NM

300 WEST ARRINGTON, SUITE 300
POST OFFICE BOX 869
FARMINGTON, NM 87499-0869
TELEPHONE: (505) 326-4521
FACSIMILE: (505) 325-5474

SANTA FE, NM

150 WASHINGTON AVE., SUITE 300
POST OFFICE BOX 1986
SANTA FE, NM 87504-1986
TELEPHONE: (505) 989-9614
FACSIMILE: (505) 989-9857

LAS CRUCES, NM

500 S. MAIN ST., SUITE 800
POST OFFICE BOX 1209
LAS CRUCES, NM 88004-1209
TELEPHONE: (505) 523-2481
FACSIMILE: (505) 526-2215

PLEASE REPLY TO LAS CRUCES

November 20, 2000

Mr. Roger Anderson
Environmental Bureau Chief
2040 South Pacheco Street
Santa Fe, NM 87505

Re: OSE Applications of Texaco, L-11029 through L-11031
And CP-884 through CP-886

Dear Mr. Anderson:

Please find enclosed a copy of a letter drafted by William C. Olsen, a hydrologist with the Environmental Bureau, with respect to the above-referenced matter. Please be advised that an administrative hearing will take place with respect to the applications by Texaco to appropriate groundwater, and that, as you will note from the attached request for hearing filed by the Office of the State Engineer ("OSE"), the OCD has been asked to appear and testify with respect to the groundwater remediation projects at Texaco oil and gas production sites which are under the oversight of OCD pursuant to the New Mexico Oil and Gas Act. At such time as an evidentiary hearing is scheduled in this matter, we will be asking for someone from your office to appear and testify as to OCD requirements of Texaco as they relate to these pending applications.

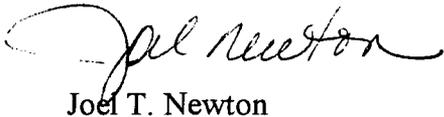
At the present time, there is a pre-hearing scheduling conference scheduled for December 7, 2000; however, that is not an evidentiary hearing at which we would anticipate the OCD appearing to testify. You are certainly welcomed to observe and monitor, but I do not anticipate that your testimony will be necessary. I would expect that an evidentiary hearing will be set some time within the six-month period after the pre-hearing scheduling conference. This letter is simply to notify you of the possibility that testimony may be required from someone in your office. That testimony may be required in the form of both deposition and by hearing appearance. Naturally, we will be in touch well prior to any date we might request your agency's testimony.

Roger Anderson
October 20, 2000
Page Two

If you have further questions or would like to speak with me about this matter, please do not hesitate to contact me.

Sincerely,

MILLER, STRATVERT & TORGERSON, P.A.

A handwritten signature in cursive script that reads "Joel T. Newton".

Joel T. Newton

JTN/smg
Enclosures

cc: Scott McCay, Esq.
Scott Hall, Esq.
Marte Lightstone, Esq.

MILLER, STRATVERT & TORGERSON, P.A.
LAW OFFICES

RANNE B. MILLER
ALAN C. TORGERSON
ALICE T. LORENZ
GREGORY W. CHASE
LYMAN G. SANDY
STEPHEN M. WILLIAMS
STEPHAN M. VIDMAR
ROBERT C. GUTIERREZ
SETH V. BINGHAM
JAMES B. COLLINS
TIMOTHY R. BRIGGS
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DEBORAH A. SOLOVE
GARY L. GORDON
LAWRENCE R. WHITE
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VIRGINIA ANDERMAN
MARTE D. LIGHTSTONE
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THOMAS R. MACK
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KYLE M. FINCH
H. BROOK LASKEY
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FRED SCHILLER
PAULA G. MAYNES
MICHAEL C. ROSS
CARLA PRANDO
KATHERINE N. BLACKETT
JENNIFER L. STONE
ANDREW M. SANCHEZ
M. DYLAN O'REILLY
AMINA QUARGNALI-LINSLEY
BEATE BOUDRO
JENNIFER D. HALL

COUNSEL

PAUL W. ROBINSON
ROSS B. PERKAL
JAMES J. WIDLAND
BRADLEY D. TEPPER
GARY RISLEY

OF COUNSEL

WILLIAM K. STRATVERT
RALPH WM. RICHARDS

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300 WEST ARRINGTON, SUITE 300
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FACSIMILE: (505) 325-5474

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SANTA FE, NM 87504-1986
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FACSIMILE: (505) 989-9857

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500 S. MAIN ST., SUITE 800
POST OFFICE BOX 1209
LAS CRUCES, NM 88004-1209
TELEPHONE: (505) 523-2481
FACSIMILE: (505) 526-2215

PLEASE REPLY TO SANTA FE

September 26, 2000

Mr. Scott McCay
Texaco Exploration and Production Company, Inc.
1111 Bagby Street # 2700
Houston, Texas 77022

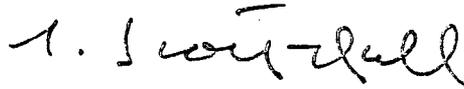
Re: New Mexico State Engineer Applications

Dear Scott:

I received the attached from NMOCD counsel today.

Yours Very Truly,

MILLER, STRATVERT & TORGERSON, P.A.



J. Scott Hall

JSH/ao

Enclosure(s) - as stated

cc: Marte Lightstone
Joel Newton

4235/25660/letters/McCay ltr.doc



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

September 14, 2000

Ms. Ann Finley Wright
Office of the State Engineer
P.O. Box 25102
Santa Fe, New Mexico 87504-5102

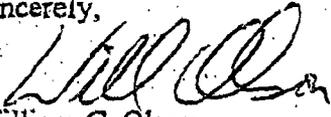
**RE: OSE APPLICATIONS OF TEXACO, L-11029 THROUGH L-11031 AND CP-884
THROUGH CP-886**

Dear Ms. Finley Wright:

The New Mexico Oil Conservation Division (OCD) is in receipt of the Office of the State Engineer's (OSE) August 7, 2000 correspondence titled "APPLICATIONS OF TEXACO, L-11029 THROUGH L-11031 AND CP-884 THROUGH CP-886" and September 6, 2000 "NOTICE OF PRE-HEARING SCHEDULING CONFERENCE". These documents set a September 27, 2000 pre-hearing scheduling conference on the above-referenced OSE applications and suggests that the OCD should be asked to participate in the matter in order to make clear what OCD is requiring Texaco to do in regards to these applications. On September 7, 2000, you verbally requested that I send a letter to the OSE as to whether I would be able to attend the pre-hearing scheduling conference and possibly testify at the OSE hearings.

I have prior business obligations on September 27, 2000 and will not be able to attend the pre-hearing scheduling conference. The referenced applications involve ground water remediation projects at oil and gas production sites which are under the oversight of the OCD pursuant to the New Mexico Oil and Gas Act. If necessary, the OCD would be willing to testify in order to provide a record of the actions required by the OCD regarding ground water remediation at the sites. If the OSE desires that the OCD testify at the hearing, please send a written request to Roger Anderson, the Environmental Bureau Chief, at the below address. If you have any questions, please feel free to call me at (505) 827-7154.

Sincerely,


William C. Olson

Hydrologist

Environmental Bureau

cc: Roger Anderson, Environmental Bureau Chief
Chris Williams, OCD Hobbs District Supervisor

BEFORE THE NEW MEXICO STATE ENGINEER

OFFICE OF THE
STATE ENGINEER
HEARINGS UNIT
SANTA FE, NM

IN THE MATTER OF THE APPLICATIONS) HEARING CASE NO. 00-037
 BY TEXACO EXPLORATION AND PRO-)
 DUCTION INC., FOR PERMIT TO DIVERT) OSE File Nos. L-11029 thru L-
 UNDERGROUND WATERS OF THE LEA &) 11031 & CP-884 thru CP-886
 CAPITAN UNDERGROUND WATER BASINS)

ORDER DISMISSING PROTESTANTS

THIS MATTER came before the State Engineer's duly appointed Hearing Examiner, Louis D. O'Dell, *sua sponte* upon the failure of Protestants Tom and Winnie Kennann to timely submit the required hearing fee. Having reviewed the hearing file the Hearing Examiner recommends the following Findings and Order:

FINDINGS

1. Notice of Pre-Hearing Scheduling Conference to be held on September 27, 2000 was mailed to Protestants Tom and Winnie Kennann at P.O. Box 186, Eunice, New Mexico 88321-0186 on September 6, 2000.
2. The Notice advised that a non-refundable hearing fee of \$25.00 must be submitted by the Applicant and each Protestant and received by the Hearings Unit on or before September 20, 2000 and that failure to make the fee payment when due would result in dismissal from the proceedings.
3. Office of State Engineer Rule 19 NMAC 25.2.17 provides that a \$25.00 hearing fee must be submitted at least five working days prior to the first scheduled pre-hearing conference.
4. September 20, 2000 is five working days prior to the scheduled pre-hearing conference.

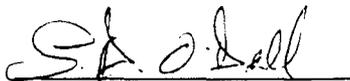
5. The Notices of Pre-Hearing Scheduling Conference were not returned by the United States Postal Service as undeliverable.

6. Protestants Tom and Winnie Kennann failed to submit the required non-refundable hearing fee on or before September 20, 2000.

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the protests of Tom and Winnie Kennann are dismissed and they shall no longer be a party to these proceedings.

Respectfully submitted this 27th day of September 2000.



Louis D. O'Dell
Hearing Examiner

I ACCEPT AND ADOPT THE FINDINGS AND ORDER OF THE HEARING EXAMINER.
WITNESS MY HAND AND OFFICIAL SEAL THIS 28th DAY OF Sept 2000.


THOMAS C. TURNEY
NEW MEXICO STATE ENGINEER



PARTIES ENTITLED TO NOTICE

HU # 00-037

I certify that a copy of the foregoing Order Dismissing Protestants was mailed to the following parties on the 5th day of October 2000.


F. Eileen Serna, Administrator

Water Rights Division

Ann Finley Wright, Esq.
Office of the New Mexico State Engineer
P. O. Box 25102
Santa Fe, New Mexico 87504-5102

APPLICANT

Joel T. Newton, Esq.
Miller, Stratvert & Torgerson, PA
P. O. Box 1986
Santa Fe, New Mexico 87504-1986

PROTESTANTS

Jim Cooper
Box 55
Monument, NM 88265-0055
(505) 397-2045

Becky Jo Doom
HCR 68 Box 188
Jal, NM 88252
(505) 395-2877

Bill and Elena Grobe
P. O. Box QQ
Jal, NM 88252

George and Joyce Willis
Willis Ranch
P. O. Box 307
#1 Willis Road
Jal, NM 88252

Tom and Winnie Kennann
P. O. Box 186
Eunice, NM 88321-0186
(505) 394-2571 FAX (505) 394-2452

cc: William C. Olson, Hydrologist
Dept. of Energy & Minerals, OCD, EB
2040 South Pacheco Street
Santa Fe, New Mexico 87505

BEFORE THE NEW MEXICO STATE ENGINEER

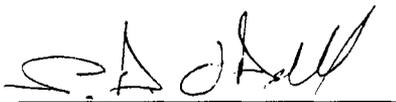
IN THE MATTER OF THE APPLICATIONS) HEARING CASE NO. 00-039
BY TEXACO EXPLORATION AND PRO-)
DUCTION INC., FOR PERMIT TO DIVERT) OSE File Nos. L-11029 thru L-
UNDERGROUND WATERS OF THE LEA) 11031 & CP-884 thru CP-886
CAPITAN UNDERGROUND WATER BASINS)

NOTICE RESCHEDULING PRE-HEARING CONFERENCE

THIS MATTER came before the State Engineer's duly appointed Hearing Examiner, Louis D. O'Dell, upon the Applicant's Motion For Continuance of Pre-Hearing Scheduling Conference filed on September 19, 2000. The majority of the parties in this matter do not oppose the Motion and the motion is well taken.

NOW THEREFORE, IT IS HEREBY ORDERED that the Pre-Hearing Scheduling Conference set for September 27, 2000 is hereby vacated and is rescheduled for December 7, 2000, in the Old Senate Chambers, 2nd Floor, Room 238, Bataan Memorial Building, at 407 Galisteo Street, Santa Fe, New Mexico, at 10:00 a.m.

IT IS SO ORDERED THIS 22ND DAY OF SEPTEMBER 2000.

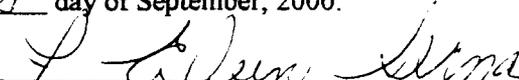


Louis D. O'Dell
Hearing Examiner

PARTIES ENTITLED TO NOTICE

HU # 00-037

I certify that a copy of the foregoing Notice Rescheduling Pre-Hearing Conference was mailed to the following parties on the 22nd day of September, 2000.


F. Eileen Serna, Administrator

Water Rights Division

Ann Finley Wright, Esq.
Office of the New Mexico State Engineer
P. O. Box 25102
Santa Fe, New Mexico 87504-5102

APPLICANT

Joel T. Newton, Esq.
Miller, Stratvert & Torgerson, PA
P. O. Box 1986
Santa Fe, New Mexico 87504-1986

PROTESTANTS

Jim Cooper
Box 55
Monument, NM 88265-0055
(505) 397-2045

Becky Jo Doom
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Willis Ranch
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#1 Willis Road
Jal, NM 88252

Tom and Winnie Kennann
P. O. Box 186
Eunice, NM 88321-0186
(505) 394-2571 FAX (505) 394-2452

cc: William C. Olson, Hydrologist
Dept. of Energy & Minerals, OCD,EB
2040 South Pacheco Street
Santa Fe, New Mexico 87505

E C E I W

SEP 20 2000

MILLER, STRATVERT & TORGERSON, P.A.
LAW OFFICES

CONSERVATION DIVISION

RANNE B. MILLER
ALAN C. TORGERSON
ALICE T. LORENZ
GREGORY W. CHASE
LYMAN G. SANDY
STEPHEN M. WILLIAMS
STEPHAN M. VIDMAR
ROBERT C. GUTIERREZ
SETH V. BINGHAM
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JENNIFER D. HALL

COUNSEL
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ROSS B. PERKAL
JAMES J. WIDLAND
BRADLEY D. TEPPER
GARY RISLEY

OF COUNSEL
WILLIAM K. STRATVERT
RALPH WM. RICHARDS

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LAS CRUCES, NM 88004-1209
TELEPHONE: (505) 523-2481
FACSIMILE: (505) 526-2215

PLEASE REPLY TO SANTA FE

September 19, 2000

Texaco Exploration and Production, Inc.
Attn: Mark J. Larsen, Senior Project Manager
Highlander Environmental Corporation
1910 North Big Spring
Midland, TX 79705

William C. Olson, Hydrologist
Dept. of Energy & Minerals, OCD, EB
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Ann Finley Wright, Esq.
Office of the State Engineer
P. O. Box 25102
Santa Fe, NM 87504-5102

George and Joyce Willis
Willis Ranch
P.O. Box 307
#1 Willis Road
Jal, New Mexico 88252

Jim Cooper
Box 55
Monument, NM 88265

Tom and Winnie Kennann
P.O. Box 186
Eunice, New Mexico 88321-0186

Becky Jo Doom
HCR 68 Box 188
Jal, NM 88252

Bill and Elena Grobe
P.O. Box QQ
Jal, New Mexico 88152

Re: Applications of Texaco Exploration to Divert Underground waters
Hearing No. 00-037, OSE No. L-11029, *et seq.*

Ladies and Gentlemen:

Enclosed in the above-referenced matter is Applicant's Motion for Continuance of Pre-Hearing Scheduling Conference.

Sincerely,

MILLER, STRATVERT & TORGERSON, P.A.

A large, stylized handwritten signature in black ink, appearing to read "Amanda Olsen, CLA". The signature is written over the printed name and title.

Amanda Olsen, CLA
Paralegal

:ao

Enclosure(s) – as stated

BEFORE THE NEW MEXICO STATE ENGINEER

IN THE MATTER OF THE APPLICATIONS OF	)	Hearing No. 00-037
TEXACO EXPLORATION)	
AND PRODUCTION INC. TO DIVERT THE	)	OSE File No. L-11029,
UNDERGROUND WATERS OF THE LEA AND	)	L-11030, L-11031,
CAPITAN UNDERGROUND WATER BASINS,	)	CP-884, CP-885,
NEW MEXICO	)	CP-886

APPLICANT'S MOTION FOR CONTINUANCE OF PRE-HEARING
SCHEDULING CONFERENCE

COMES NOW the Applicant, Texaco Exploration and Production, Inc., by and through its counsel of record, Miller, Stratvert & Torgerson, P.A, and requests a continuance of that Pre-Hearing Scheduling Conference in this matter for the following reasons:

1. As stated in the Request for Pre-Hearing Scheduling Conference, filed by the Office of the State Engineer, Water Rights Division ("WRD"), this is a matter handling six (6) applications to divert water in two separate basins (3 applications as to the Lea Underground Basin and 3 applications as to the Capitan Underground Basin). These applications are sought to initiate a corrective action pursuant to a plan approved by the Environmental Bureau, New Mexico Department of Energy and Minerals, Oil Conservation Division ("OCD").

2. Counsel for the Applicant have only, days ago, been retained and received the file and, for the following reasons, would request a continuance until December 4, 6, 7 or 8, 2000, of that Pre-Hearing Scheduling Conference now set for September 27, 2000, at 2:00 p.m.:

A. As noted by WRD in its Request for Pre-Hearing Scheduling Conference, and in its cover letter, there are a number of important, novel issues implicated by the above-applications, requiring additional time for counsel to study the applications and prepare for the hearing, and, more important, for applicants, counsel and protestants to meet and confer prior to the Pre-Hearing Scheduling Conference.

B. Such additional time will permit applicant to investigate the claim by one protestant (Mr. Jim Cooper, protesting L-11029 and L-11031) that the legal descriptions utilized in the published notice for the Lea County applications were inaccurate, and, if so, to correct that issue in accordance with due process. Any earlier setting of the proposed Conference before this issue is resolved may render the Conference largely unfruitful, because discovery completion dates, witness list and exhibit list disclosure dates, and other related discovery and hearing dates cannot be set if the notice must be republished. Additionally, re-publication, if required, may generate additional protestants who will be entitled to attend any Pre-Hearing Scheduling Conference as well.

C. Additional time will permit due diligence to be conducted as to the proposal by WRD for the *amicus curiae* hydrologist and for participation by the OCD. While applicant generally favors the proposal regarding participation by OCD, the interwoven OCD issues are complex. Adequate prior preparation time is also needed for counsel to effectively address questions already posed by WRD in its Request for Pre-Hearing Scheduling Conference.

D. WRD has approved and concurred with the relief sought in this Motion, and, in fact, expresses preference for a hearing date on either December 6, 7, 8 or 4, 2000, in that order. Protestants Becky Jo Doom, Bill and Elena Grobe, and Tom and Winnie Kennan have concurred to the relief sought and have approved the dates suggested. Concurrence from Protestants Jim Cooper and George and Joyce Willis was sought on September 15, and again on September 19, 2000, through their indicated attorneys, Samberson & Newell, but no response has been received.

WHEREFORE, due to the foregoing reasons, Applicant respectfully requests a continuance until December 4, 6, 7 or 8, 2000, of that Pre-Hearing Scheduling Conference now

set for September 27, 2000, at 2:00 p.m., and for such other and further relief as the Hearing Examiner deems just and proper.

MILLER, STRATVERT & TORGERSON, P.A.

By: _____



Joel T. Newton
J. Scott Hall
Attorneys for Applicant

P. O. Box 1209
Las Cruces, New Mexico 88004
(505) 523-2481

P.O. Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the foregoing Motion was mailed to the persons named below on September 19, 2000:

Texaco Exploration and Production, Inc.
Attn: Mark J. Larsen, Senior Project Manager
Highlander Environmental Corporation
1910 North Big Spring
Midland, TX 79705

Ann Finley Wright, Esq.
Office of the State Engineer
P. O. Box 25102
Santa Fe, NM 87504-5102

Jim Cooper
Box 55
Monument, NM 88265

Becky Jo Doom
HCR 68 Box 188
Jal, NM 88252

Bill and Elena Grobe
P. O. Box QQ
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George and Joyce Willis
Willis Ranch
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#1 Wills Road
Jal, NM 88252

Tom and Winnie Kennann
P. O. Box 186
Eunice, NM 88321-0186

William C. Olson, Hydrologist
Dept. of Energy and Minerals, OCD, EB
2040 South Pacheco Street
Santa Fe, NM 87505



Joel T. Newton



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September 14, 2000

Ms. Ann Finley Wright
Office of the State Engineer
P.O. Box 25102
Santa Fe, New Mexico 87504-5102

**RE: OSE APPLICATIONS OF TEXACO, L-11029 THROUGH L-11031 AND CP-884
THROUGH CP-886**

Dear Ms. Finley Wright:

The New Mexico Oil Conservation Division (OCD) is in receipt of the Office of the State Engineer's (OSE) August 7, 2000 correspondence titled "APPLICATIONS OF TEXACO, L-11029 THROUGH L-11031 AND CP-884 THROUGH CP-886" and September 6, 2000 "NOTICE OF PRE-HEARING SCHEDULING CONFERENCE". These documents set a September 27, 2000 pre-hearing scheduling conference on the above-referenced OSE applications and suggests that the OCD should be asked to participate in the matter in order to make clear what OCD is requiring Texaco to do in regards to these applications. On September 7, 2000, you verbally requested that I send a letter to the OSE as to whether I would be able to attend the pre-hearing scheduling conference and possibly testify at the OSE hearings.

I have prior business obligations on September 27, 2000 and will not be able to attend the pre-hearing scheduling conference. The referenced applications involve ground water remediation projects at oil and gas production sites which are under the oversight of the OCD pursuant to the New Mexico Oil and Gas Act. If necessary, the OCD would be willing to testify in order to provide a record of the actions required by the OCD regarding ground water remediation at the sites. If the OSE desires that the OCD testify at the hearing, please send a written request to Roger Anderson, the Environmental Bureau Chief, at the below address. If you have any questions, please feel free to call me at (505) 827-7154.

Sincerely,


William C. Olson
Hydrologist
Environmental Bureau

xc: Roger Anderson, Environmental Bureau Chief
Chris Williams, OCD Hobbs District Supervisor



OFFICE OF THE STATE ENGINEER
HEARINGS UNIT
SANTA FE, NM

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

IN THE MATTER OF THE APPLICATIONS OF)	Hearing Unit No. 00-037
TEXACO EXPLORATION AND PRODUCTION,)	
INC. TO DIVERT THE UNDERGROUND WATERS)	OSE File No. L-11029, L-11030,
OF THE LEA AND CAPITAN UNDERGROUND)	L-11031, CP-884,
WATER BASINS, NEW MEXICO)	CP-885, CP-886

NOTICE OF PRE-HEARING SCHEDULING CONFERENCE

A pre-hearing scheduling conference in this case is set before Hearing Examiner Louis D. O'Dell as follows:

Date of Conference: September 27, 2000

Time of Conference: 2:00 p.m.

Place of Conference: **Old Senate Chambers (Room 238), 2nd Floor, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico.**

Applicant and each Protestant must submit a non-refundable hearing fee of \$25.00. The fee must be received by the Hearings Unit on or before the **20th day of September, 2000**. Check or money order should be made out to the New Mexico State Engineer and mailed to the Hearings Unit Administrator, Office of the State Engineer, P. O. Box 25102, Santa Fe, NM 87504-5102 or delivered in person to the Hearings Unit Office – Suite E of the Peralta Complex, 607 Cerrillos Road, Santa Fe. **Failure to make the fee payment when due will result in dismissal from the proceedings or, in the case of the applicant, denial of the application.** The parties should be prepared to clarify issues that are in dispute and to establish a schedule for proceeding to formal administrative hearing. A form of Pre-hearing Order is enclosed for your use in preparing for the conference as well as instructions concerning the hearing process.

OFFICE OF HEARING EXAMINER

By *F. Eileen Serna*
F. Eileen Serna
Administrator

I certify that a copy of this notice was mailed to all parties entitled to notice on the 6th day of September, 2000.

PARTIES ENTITLED TO NOTICE

HU # 00-037

Water Rights Division

Ann Finley Wright, Esq.
Office of the New Mexico State Engineer
P. O. Box 25102
Santa Fe, New Mexico 87504-5102

APPLICANT

Texaco Exploration and Production, Inc.
Attn: Mark J. Larsen, Senior Project Manager
Highlander Environmental Corporation
1910 North Big Spring
Midland Texas 79705
(915) 682-4559 FAX (915) 682-3946

PROTESTANTS

Jim Cooper
Box 55
Monument, NM 88265
(505) 397-2045

Becky Jo Doom
HCR 68 Box 188
Jal, NM 88252
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Bill and Elena Grobe
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(505) 394-2571 FAX (505) 394-2452

William C. Olson, Hydrologist
Dept. of Energy and Minerals, OCD,EB
2040 South Pacheco Street
Santa Fe, NM 87505
(505) 827-7154

BEFORE THE NEW MEXICO STATE ENGINEER

IN THE MATTER OF THE APPLICATION BY)
) Hearing No.
)
) OSE File No.
)

PRE-HEARING SCHEDULING ORDER

This matter came before the State Engineer's duly designated Hearing Examiners, on _____, 2000, at a Pre-Hearing Scheduling Conference in Santa Fe, New Mexico. The parties appeared pro se or through representatives as follows:

This Pre-Hearing Scheduling Order sets forth the issues to be addressed at the administrative hearing and the schedules for discovery, the exchange of witness lists, exhibits and reports, the filing of motions and the conduct of the hearing.

1. NATURE OF THE APPLICATION

On _____ filed Application No. _____ with the State Engineer for Permit to _____.

An Affidavit of Publication was filed on _____. The application was timely protested by _____.

2. JURISDICTION

The jurisdiction of the State Engineer is invoked pursuant to Section 72-_____ NMSA 1978 (1997 Repl.).

3. STATEMENT OF ISSUES

- A. Whether there is unappropriated water available to satisfy the application.
- B. Validity of the claimed water right.
- C. Whether granting the application would result in impairment to existing water rights.

D. Whether granting the application would be detrimental to the public welfare of the state.

E. Whether granting the application would be contrary to the conservation of water within the state.

Other:

4. DISCLOSURE OF WITNESSES AND EXHIBITS

Witness Identification: On or before _____, each party shall disclose to the others all expert and fact witnesses who may be called at the hearing of this matter. Disclosure shall be by witness lists that contain the name and address of each witness, an indication of whether the witness will be offered as an expert, and a summary of anticipated testimony. The lists shall also be filed with the Hearings Unit by _____.

Exhibits: On or before _____, each party shall disclose and exchange any and all exhibits and reports to be offered into evidence at the hearing. The exhibits shall be indexed and labeled for identification. The parties shall file the exhibits index with the Hearings Unit by _____.

5. DISCLOSURE OF REBUTTAL WITNESSES AND EXHIBITS

All rebuttal witnesses are to be disclosed and rebuttal exhibits to be used at hearing are to be exchanged between the parties on or before _____ in the same manner as set forth in section 4, above. The rebuttal witness lists and exhibits index are to be filed with the Hearings Unit by _____.

6. CLOSE OF DISCOVERY

The deadline for conclusion of discovery is _____.

7. MOTIONS AND OBJECTIONS

The deadline for filing dispositive motions written objections to a proposed witness or exhibit is _____. Any exhibit not objected to in writing by _____ shall be deemed admitted into evidence at the hearing.

8. FILING AND SERVICE

Filing of pleadings, exhibits and documents are to be made in triplicate (original and two copies) to the Hearings Unit, Office of the State Engineer, P.O. Box 25102, Santa Fe,

New Mexico 87504-5102. The physical location of the Hearings Unit office is at 607 Cerrillos Road, Suite E of the Peralta Complex on the corner of Cerrillos Road and Paseo de Peralta, Santa Fe, New Mexico. A copy of any pleading, or other document submitted for filing must be served by the submitting party upon the other parties. Upon request, a file stamped copy of the submission will be returned to the submitting party if an extra (third) copy and a stamped, self addressed envelope is provided with the submission. Service may be made upon the parties in accordance with the attached certificate of mailing unless otherwise notified per entry of appearance or other writing filed in this matter.

9. PRE-HEARING CONFERENCE

If the Hearing Examiner deems it necessary to address objections, outstanding motions or other matters prior to hearing, a Pre-Hearing Administrative Conference will be scheduled on _____. The parties will receive advance written notice of the scheduling.

10. HEARING

The hearing of this matter is scheduled to commence at _____ in _____, New Mexico at a location to be later designated. It is anticipated that the hearing will take no more than _____ days.

11. MODIFICATION

This order shall control these proceedings, except that it may be modified upon the consent of the parties and the Hearing Examiners or at the discretion of the Hearing Examiners for good cause shown.

IT IS SO ORDERED this ____ day of _____ 2000.

Hearing Examiner

Hearing Examiner



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
SANTA FE

THOMAS C. TURNEY
State Engineer

POST OFFICE BOX 25102
SANTA FE, NEW MEXICO 87504-5102

August 7, 2000

Hearing Examiner
Office of the State Engineer
Hearing Unit
P. O. Box 25102
Santa Fe, NM 87504-5102

Re: Applications of Texaco, L-11029 through L-11031 and CP-884
through CP-886

Dear Mr. Examiner:

Enclosed you will find the OSE/Water Rights Division Request for Pre-Hearing Scheduling Conference with attachments. Please note that there are a number of important issues that WRD has delineated for you. Perhaps some of these should be addressed prior to any scheduling of discovery and hearing?

Please also note that I will be out of the country the month of October so will be unable to participate in any conferences or other related matters during that time period.

Thank you!

Most sincerely,

Ann Finley Wright
Special Assistant Attorney General
(505) 827-6147

attachments

c: each person listed on entitled to notice page

Andrew B. Core
Vincent Chavez
Leticia Sheridan, Esq.
Kenneth Meeks, Esq.

**BEFORE THE NEW MEXICO
STATE ENGINEER**

IN THE MATTER OF THE APPLICATIONS OF)	
TEXACO EXOLORATION AND PRODUCTION,	)	HU No.: _____
INC. TO DIVERT THE UNDERGROUND WATERS	)	OSE Nos.: L-11029
OF THE LEA AND CAPITAN UNDERGROUND	)	L-11030, L-11031,
WATER BASINS, NEW MEXICO.	)	CP-884, CP-885,
	)	CP-886
)	

REQUEST FOR PRE-HEARING SCHEDULING CONFERENCE

COMES NOW, Office of the State Engineer, Water Rights Division, through its attorney to request that the Hearing Unit schedule a Pre-Hearing Scheduling Conference in the above-captioned matter pursuant to "The Instructions for Parties in State Engineer Administrative Hearings," page 2.

1. Assigned Hearing Examiner: _____

2. Type of Case: These six (6) applications were filed October 1, 1999. The applicant proposes, with permit approval, to initiate corrective action under a directive from the New Mexico Oil Conservation Division, Environmental Bureau for environmental remediation [Pollution Plume Control—a term of art in the Oil and Gas industry]. The applicant proposes to divert 3.0 acre feet per annum from each of the three (3) Lea Underground Basin applications, if approved. The applicant proposes to divert 32.5 acre feet per annum from two (2) of the Capitan Underground Basin application and 6.5 acre feet per annum from one (1) Capitan Underground Basin application. It is unclear whether or not this "diversion" will be applied to

beneficial use and consumed or not, but the water will be run through applicant's disposal system.

3. The protestants particularly object to the use of fresh water in a disposal system, which could be interpreted as being contrary to conservation within the state.
4. Dates of hearings presently set: None, however there may be other pending, but unprotested, applications filed by this same applicant.
5. Special Matters to be hearing upon this request: Prior to any discovery or other scheduling, the following should be decided or explained:

A. Whether or not the legal descriptions of the proposal, which appeared in the published notice for the three Lea Underground Basin applications are correct or incorrect, which would require republication to meet due process standards. One of the protestants claims that the descriptions are wrong. A schedule for discovery, filing of witness lists and exhibits and the date for hearing cannot be established until this is decided. Republication most likely would attract additional protestants.

B. The applicant should explain the purpose and intent of the pending applications [particularly the change on the standard application from " To Appropriate...." to "To Divert the Underground Waters of the State of New Mexico"]. It should also indicate whether or not these two sets of applications represent one single operation or whether there are two separate operations, which should be heard separately.

C. Applicant must indicate what source aquifer or source aquifers will be used for these proposed applications. It should be required to name the formation or formations involved.

D. New Mexico Department of Energy and Minerals, Oil Conservation Division, Environmental Bureau, William C. Olson, Hydrologist, should be asked to act as *amicus curi* to the Hearing Examiner or the Bureau should be asked to participate in this matter in order to objectively make clear what Texaco is required to do as well as why and how it is so required.

6. Estimated total time required: Two hours

7. Attachments:

A. A list of each and every party entitled to notice, their name, firm if applicable, capacity in that firm, address and telephone number and FAX number, if available.

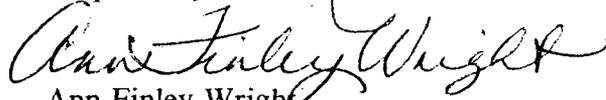
B. Addressed envelopes for all parties entitled to notice.

C. A copy of each application.

D. A copy of the legal notice.

E. A copy of each protest.

Respectfully submitted,



Ann Finley Wright
Special Assistant Attorney General
Office of the State Engineer
P. O. Box 25102
Santa Fe, NM 87504-5102

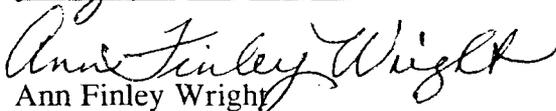
(505) 827-6147

Currently no FAX number

ATTORNEY FOR WATER RIGHTS DIVISION (WRD)

Certificate of Mailing

I certify that a copy of this Pleading and all attachments were mailed this 7 day of August, 2000 to those listed below as entitled to notice.



Ann Finley Wright

ATTACHMENT A ---- LIST OF PARTIES ENTITLED TO NOTICE

Texaco Exploration and Production, Inc. APPLICANT
Attn: Mark J. Larsen, Senior Project Manager
Highlander Environmental Corporation
1910 North Big Spring
Midland, TX 79705
(915) 682-4559
FAX (915) 682-3946

Ann Finley Wright, Esq. ATTORNEY FOR WATER RIGHTS DIVISION
Office of the State Engineer
P. O. Box 25102
Santa Fe, NM 87504-5102

Jim Cooper PROTESTANT Lea County applications, water right holder
Box 55
Monument, NM 88265
(505) 397-2045 no fax listed

Becky Jo Doom PROTESTANT all applications but CP-886, claims no water
HCR 68 Box 188 rights
Jal, NM 88252
(505) 395-2877 no fax listed

Bill and Elena Grobe PROTESTANTS CP-886 application only, water
P. O. Box QQ right holders
Jal, NM 88152
no phone or fax listed

George and Joyce Willis PROTESTANTS, CP-886 application only,
Willis Ranch water right holders
P. O. Box 307
#1 Willis Road
Jal, NM 88252
no phone or fax listed

Tom & Winnie Kennann PROTESTANTS, all applications, claim no water rights
P. O. Box 186
Eunice, NM 88321-0186
(505) 394-2571
FAX (505) 394-2452

William C. Olson, Hydrologist
Dept. of Energy and Minerals, OCD, EB
2040 South Pacheco Street
Santa Fe, NM 87505
(505) 827-7154
fax number unknown

AFFIDAVIT OF PUBLICATION

L-11,029

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 3 weeks.

Beginning with the issue dated

February 15 2000

and ending with the issue dated

February 29 2000

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 29th day of

February 2000

Godi Henson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE

February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. L-11,029 with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commencing the use of groundwater recovery well No. 2, to numbered L-11,029, 4 inches in diameter and approximately 70 feet in depth located in the NE1/4SE1/4 of Section 24, Township 19 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. L-11,029 is located approximately three miles east of Monument, New Mexico on County Road C-42 then approximately one half mile north of County Road C-42.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided; however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants's or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

#17178

01101308000 01538955

Texaco E&P, Inc.
205 E. Bender
Hobbs, NM 88240

AFFIDAVIT OF PUBLICATION

L-11,030

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

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Beginning with the issue dated February 15 2000

and ending with the issue dated February 29 2000

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 29th day of

February 2000

Jodi Henson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

LEGAL NOTICE
February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc., P.O. Box 730, Hobbs, NM 88240-0730, filed application No. L-11,030 with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commence the use of existing groundwater recovery well No. 1, to numbered L-11,030, 4 inches in diameter and approximately 70 feet in depth located in the NW1/4SE1/4 of Section 24, Township 19 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. L-11,030 is located approximately three miles east of Monument, New Mexico on County Road C-42 then approximately one half mile north of County Road C-42.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants's or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.
#17177

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

01101308000 02535050
Texaco E&P, Inc.
205 E. Bender
Hobbs, NM 88240

AFFIDAVIT OF PUBLICATION

L-11,031

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

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February 15 2000

and ending with the issue dated

February 29 2000

Kathi Bearden

Publisher

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me this 29th day of

February 2000

Jodi Jensen

Notary Public.

My Commission expires
October 18, 2000
(Seal)

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LEGAL NOTICE

February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. L-11,031 with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commencing the use of groundwater recovery well No. 3, to numbered L-11,031, 4 inches in diameter and approximately 70 feet in depth located in the NE1/4SE1/4 of Section 24, Township 19 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. L-11,031 is located approximately three miles east of Monument, New Mexico on County Road C-42 then approximately one half mile north of County Road C-42.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.
#17179

01101308000 01538956
Texaco E&P, Inc.
205 E. Bender
Hobbs, NM 88240

AFFIDAVIT OF PUBLICATION

CP-884

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 3 weeks.

Beginning with the issue dated February 15 2000 and ending with the issue dated

February 29 2000

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 29th day of

February 2000

Jodi Benson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

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LEGAL NOTICE

February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. CP-884 with the STATE ENGINEER for permit to divert up to 32.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No. 2, to numbered CP-884, 5 inches in diameter and approximately 175 feet in depth located in the NW1/4NW1/4SE1/4 of Section 24, Township 24 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. CP-884 is located approximately six miles north of Jal, New Mexico on State Highway 18 then west approximately two miles of County Road C-7.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

#17181

01101308000 01538958
Texaco E&P, Inc.
205 E. Bender
Hobbs, NM 88240

AFFIDAVIT OF PUBLICATION

CP-885

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

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Kathi Bearden

Publisher

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me this 29th day of

February 2000

Jodi Henson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

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LEGAL NOTICE

February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc., P.O. Box 730, Hobbs, NM 88240-0730, filed application No. CP-885 with the STATE ENGINEER for permit to divert up to 32.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No. 2, to numbered CP-885, 5 inches in diameter and approximately 175 feet in depth located in the NW1/4NW1/4SE1/4 of Section 24, Township 24 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. CP-885 is located approximately six miles north of Jai, New Mexico on State Highway 18 then west approximately two miles of County Road C-7.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants's or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

01101308000 01538959
Texaco E&P, Inc.
205 E. Bender
Hobbs, NM 88240

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

CP-886

I, KATHI BEARDEN

Publisher

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February 29 2000

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 29th day of

February 2000

Jodi Benson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

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LEGAL NOTICE

February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. CP-886 with the STATE ENGINEER for permit to divert up to 6.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No. 1, to numbered CP-886, 6 inches in diameter and approximately 73 feet in depth located in the SW1/4SE1/4 of Section 35, Township 24 South, Range 37 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. CP-886 is located approximately two miles east of Jal, New Mexico on State Highway 128 then north approximately 3 miles of County Road C-13.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

#17180

01101308000 01538957

Texaco E&P, Inc.
205 E. Bender
Hobbs, NM 88240

February 15, 2000

State Engineers Office
ATTN: Thomas C. Turney
1900 W. Second St.
Roswell, NM 88201

RE: Texaco Legal Notice, water use

Mr. Turney:

As I read my paper today, I found that Texaco is applying to pump and dispose of fresh water.

I am in disagreement with this pumping. First of all, I have a permitted fresh water well adjacent to this site that. I feel that allowing them to pump this water out will deplete my water well or lower the water table enough that I will not be able to use it. Secondly, with the shortage of water in Lea Co. and the adjacent areas, it would be more environmentally beneficial if the water was treated and reused other than disposed of. Thirdly, the legal notice was mistaken, the site is west of Monument not east.

Please accept this letter as my protest to the Texaco L-11,029 and L-11,031 notice.

Thank you,

A handwritten signature in cursive script, appearing to read "Jim Cooper".

Jim Cooper
Box 55
Monument, NM 88265
(505)397-2045

Unit J

LEGAL NOTICE
February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. L-11,029 with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commencing the use of groundwater recovery well No. 2, to numbered L-11,029, 4 inches in diameter and approximately 70 feet in depth located in the NE1/4SE1/4 of Section 24, Township 19 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. L-11,029 is located approximately three miles east of Monument, New Mexico on County Road C-42 then approximately one half mile north of County Road C-42.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

#17178

Unit J

LEGAL NOTICE
February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. CP-885 with the STATE ENGINEER for permit to divert up to 32.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No. 2, to numbered CP-885, 5 inches in diameter and approximately 175 feet in depth located in the NW1/4NW1/4SE1/4 of Section 24, Township 24 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. CP-885 is located approximately six miles north of Jal, New Mexico on State Highway 18 then west approximately two miles of County Road C-7.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

Unit

LEGAL NOTICE
February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. CP-884 with the STATE ENGINEER for permit to divert up to 32.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No. 2, to numbered CP-884, 5 inches in diameter and approximately 175 feet in depth located in the NW1/4NW1/4SE1/4 of Section 24, Township 24 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. CP-884 is located approximately six miles north of Jal, New Mexico on State Highway 18 then west approximately two miles of County Road C-7.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

#17181

Unit O

LEGAL NOTICE
February 15, 22, & 29, 2000

NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. CP-886 with the STATE ENGINEER for permit to divert up to 6.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No. 1, to numbered CP-886, 6 inches in diameter and approximately 73 feet in depth located in the SW1/4SE1/4 of Section 35, Township 24 South, Range 37 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

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Well No. CP-885 is located approximately six miles north of Jal, New Mexico on State Highway 18 then west approximately two miles of County Road C-7.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

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Unit I

LEGAL NOTICE
February 15, 22, & 29, 2000

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NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. L-11,031 with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commencing the use of groundwater recovery well No. 3, to numbered L-11,031, 4 inches in diameter and approximately 70 feet in depth located in the NE1/4SE1/4 of Section 24, Township 19 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. L-11,031 is located approximately three miles east of Monument, New Mexico on County Road C-42 then approximately one half mile north of County Road C-42.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

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Unit O

LEGAL NOTICE
February 15, 22, & 29, 2000

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NOTICE is hereby given that on October 1, 1999, Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, NM 88240-0730, filed application No. CP-886 with the STATE ENGINEER for permit to divert up to 6.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No. 1, to numbered CP-886, 6 inches in diameter and approximately 73 feet in depth located in the SW1/4SE1/4 of Section 35, Township 24 South, Range 37 East, N.M.P.M., for Environmental Remediation purposes.

Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

Well No. CP-886 is located approximately two miles east of Jal, New Mexico on State Highway 128 then north approximately 3 miles of County Road C-13.

Any person, firm or corporation or other entity objecting that the granting of the application will be detrimental to the objector's water right shall have standing to file objections or protests. Any person, firm or corporation or other entity objecting that the granting of the application will be contrary to the conservation of water within the state or detrimental to the public welfare of the state and showing that the objector will be substantially and specifically affected by the granting of the application shall have standing to file objections or protests. Provided, however, that the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions, and all political subdivisions of the state and their agencies, instrumentalities and institutions shall have standing to file objections or protest. The protest or objections shall be in writing and shall set forth all protestants' or objector's reasons why the application should not be approved and must be filed, in triplicate, with Thomas C. Turney, State Engineer, 1900 W. Second St., Roswell, New Mexico 88201, within ten (10) days after the date of the last publication of this Notice. Valid objections or protests must be legible, signed and include a complete mailing address. If no valid objection or protest is filed, the state engineer will evaluate the application for impairment to existing water rights, public welfare of the state and conservation of water within the state prior to final disposition of the application.

#17180

W. J. ...

Becky Jo Doom
HCR 68 Box 188
Jal, New Mexico 88252
(505) 395-2877
March 6, 2000

Mr. Thomas C. Turney
State Engineer
1900 W. Second St.
Roswell, NM 88201

Dear Mr. Turney:

I am taking this opportunity to object to the applications filed by Texaco Exploration and Production, Inc. P. O. Box 730, Hobbs, N. M. 88240 for:

(1) permit to divert up to 32.5 acre feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery well No.2 to numbered CP-884, 5 inches in diameter and approximately 175 feet in depth located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of section 24, township 24 south, range 36 east, NMPM for Environmental Remediation purposes.

(2) permit to divert up to 3.0 acre feet per annum of shallow groundwater of the Lea County Water Basin and commence the use of existing groundwater recovery well No. 1, to numbered L-11,030, 4 inches in diameter and approximately 70 feet in depth located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ section 24, township 19 south, range 36 east, NMPM for Environmental Remediation purposes.

(3) permit to divert up to 3.0 acre feet per annum of shallow groundwater of the Lea County Water Basin and commence the use of existing groundwater recovery well No. 3, to numbered L-11031, 4 inches in diameter and approximately 70 feet in depth located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of section 24, township 19 south, range 36 east, NMPM for Environmental Remediation purposes.

(4) permit to divert up to 32.5 acre feet per annum of shallow groundwater of the captain Underground Water Basin and commencing the use of groundwater recovery well No.2 to numbered CP-885, 5 inches in diameter and approximately 175 feet in depth located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of section 24, township 24 south, range 36 east, NMPM for Environmental Remediation purposes.

(5) permit to divert up to 3.0 acre feet per annum of shallow groundwater of the Lea County Underground water Basin and commencing the use of groundwater recovery well No.2, t numbered L-11,029, 4 inches in diameter and approximately 70 feet in depth located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of section 24,

township 19 south, range 36 east NMPM, for Environmental Remediation purposes.

My objections are that as a life-long resident of South Lea County and I and my family having been involved in agriculture, gasoline refinery and education, I think I am qualified to say that uncontaminated groundwater is very scare and is being depleted and contaminated at alarming rates.

If it is necessary to grant permit to pump these wells, and I do not hold myself to be an expert in that area, why not require that the contaminated water be cleaned up to the standard of the uncontaminated groundwater and injected back there. . . . not pumped down disposal wells and lost forever for any beneficial use.

Thank you for your consideration.

Sincerely,



Becky Jo Doom

CC: Lea County Water Users Assn.
Lea County Court House
Lovington, NM 88252

Oil Conservation Commission
1000 West Broadway
Hobbs, NM 88240

11/17/11

Bill & Elena Grobe
P.O. Box Q Q
Jal, New Mexico 88252

Mr. Thomas C Turney
State Engineer
1900 W. Second St.
Roswell, New Mexico 88201

Mr. Turney:

We are at this time objecting to the applications filed by Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, New Mexico 88240 for : application No. CP-886 for permit to divert up to 6.5 acre feet of shallow ground water of the Captain Underground Water Basin located in the SW1/4SE1/4 of Section 35, Township 24 South, Range 37 East, N.M.P.M. .

We are ranchers in this area. All of our ground water for watering our animals and for agriculture use comes from this basin as a rule. Our very living is dependent on this water. It seems that if the water is contaminated , then the source should be found and eliminated. The ground water should be cleaned and put back into the basin for beneficial use.

It does not seem to us that taking the water from the basin and disposing into another zone or basin will solve the problem and could result in disastrous consequences for the agricultural community that is dependent on this water. Our ground water is scarce and is being contaminated at an alarming rate as well as being depleted. we cannot afford to take water from any fresh water basin and not put it to beneficial use.

We are asking that the application not be approved for taking the water from the Capitan Basin and disposing into a disposal well and kept from beneficial use. Some other means of remediation should be employed.

Thank you,

William J Grobe
Elena B Grobe
William J. Grobe and Elena B. Grobe

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Willis Ranch
George and Joyce Willis (Owners)
P.O. Box 307
1 Willis Road
Jal, New Mexico 88252

Mr. Thomas C Turney
State Engineer
1900 W. Second St.
Roswell, New Mexico 88201

Mr. Turney:

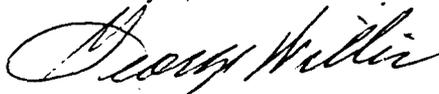
We are at this time objecting to the applications filed by Texaco Exploration and Production, Inc. P.O. Box 730, Hobbs, New Mexico 88240 for : application No. CP-886 for permit to divert up to 6.5 acre feet of shallow ground water of the Captain Underground Water Basin located in the SW1/4SE1/4 of Section 35, Township 24 South, Range 37 East, N.M.P.M. .

We are ranchers in this area and are surface owners of record. All of our ground water for watering our animals and for agriculture use comes from this basin as a rule. Our very living is dependent on this water. It seems that if the water is contaminated , then the source should be found and eliminated. The ground water should be cleaned and put back into the basin for beneficial use.

It does not seem to us that taking the water from the basin and disposing into another zone or basin will solve the problem and could result in disastrous consequences for the agricultural community that is dependent on this water. Our ground water is scarce and is being contaminated at an alarming rate as well as being depleted. we cannot afford to take water from any fresh water basin and not put it to beneficial use.

We are asking that the application not be approved for taking the water from the Capitan Basin and disposing into a disposal well and kept from beneficial use. Some other means of remediation should be employed.

Thank you,



George and Joyce Willis

Joyce Willis 3/07/00

RECEIVED
MAR 10 2000
STATE ENGINEER
ROSSELL, N.M.

Tom & Winnie Kennann

Post Office Box 186 • Eunice, New Mexico 88231-0186 • (505) 394-2571 • Fax (505) 394-2452

March 2, 2000

Mr. Thomas C. Turney, State Engineer
1900 West Second Street
Roswell, New Mexico 88201

CERTIFIED MAIL NO. Z 102 527 015

Re: Our objections to pending filed applications of Texaco Exploration and Production, Inc., hereinafter referred to as TEPI, the application numbers are as follows:
L-11,029; L-11,030; L-11,031; CP-884; CP-885 and CP-886 followed with brief descriptions as described in the applications.

Dear Mr Turney:

We object to the following applications. Our concern deals with the conservation of drinking water for human and animal consumption. Uncontaminated ground water, shallow or deep, in Southern Lea County is in short supply so wasting of water in the proposed manner by disposal should NOT BE PERMITTED. Although the pumping of water may be necessary to correct the contamination, the pumped water should be treated to render the product safe and useful.

TEPI filed application No. L-11,029 with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commencing the use of groundwater recovery Well No. 2, to numbered L-11,029, 4 inches in diameter and approximately 70 feet in depth located in the NE1/4 SE/4 of Sec. 24, T19S, R36E, N.M.P.M., for Environmental purposes.

TEPI filed application No. L-11,030 with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commence the use of existing groundwater recovery Well No. 1, to numbered L-11,030, 4 inches in diameter and approximately 70 feet in depth located in the NW/4 SE/4 of Section 24, Township 19 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

TEPI filed application No. L-11,031 filed with the STATE ENGINEER for permit to divert up to 3.0 acre-feet per annum of shallow groundwater of the Lea County Underground Water Basin and commencing the use of groundwater recovery Application No. CP-886, Well No. 3, to numbered L-11,031, 4 inches in diameter and approximately 70 feet in depth, (located NE/4 SE/4 of Sec. 24, T19S, R36E, N.M.P.M.), for Environmental Remediation purposes.

TEPI filed application No. CP-884 with the State Engineer for permit to divert up to 32.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery Well No. 2, to numbered CP-884, 5 inches in diameter and approximately 175 feet in depth located NW/4 NW/4 SE/4 of Sec. 24, T24S, R36E, N.M.P.M., for Environmental purposes.

TEPI filed application No. CP-885 with the STATE ENGINEER for permit to divert up to 32.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery Well No. 2, to numbered CP-885, 5 inches in diameter and approximately 175 feet in depth located in the NW/4 NW/4 SE/4 of Section 24, Township 24 South, Range 36 East, N.M.P.M., for Environmental Remediation purposes.

TEPI filed application No. CP-886 with the STATE ENGINEER for permit to divert up to 6.5 acre-feet per annum of shallow groundwater of the Captain Underground Water Basin and commencing the use of groundwater recovery Well No. 1, to numbered CP-886, 6 inches in diameter and approximately 73 feet in depth, located in the SW/4 SE/4 of Sec. 35, T24S, R37E, N.M.P.M., for Environmental Remediation purposes.

Sincerely yours,

Tom Kennann
Winnie Kennann

Tom Kennann and Winnie Kennann

Sent in triplicate.

xc: NMOCD Environmental Bureau
NM State Senator Carroll H. Leavell
NM State Representative Stevan Pearce
NM State Commissioner of Public Lands Ray Powell, M.S., D.V.M.

B:\002STENGWAT



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

THOMAS C. TURNEY
State Engineer

ADMINISTRATIVE HEARINGS UNIT
607 CERILLOS ROAD, SUITE E
POST OFFICE BOX 25102
SANTA FE, NEW MEXICO 87504-5102
(505) 827-1430
FAX: (505) 827-3777

Instructions for Parties in State Engineer Administrative Hearings Revised 05-01-00

An administrative hearing before the New Mexico State Engineer has been requested. In protested applications, State Engineer administrative hearings are multi-party proceedings, with the Applicant, the Protestant(s) and the Office of the State Engineer Administrative Litigation Unit (on behalf of the Water Rights Division staff) all appearing as parties. In aggrieved matters, the parties will be only the Applicant and the Administrative Litigation Unit.

These instructions apply to all matters in hearings before the State Engineer or his designated Hearing Examiner. Please read them carefully. ***Failure to comply with these instructions may result in the denial of the application or dismissal of the protest.***

1. Representation

An Applicant or Protestant may represent him or herself in the proceedings (called appearing pro se), but only an attorney licensed in the State of New Mexico may represent others. Exceptions may exist in the case of recognized acequias, municipalities or other corporate entities. Pursuant to law, the rules of evidence governing nonjury trials in our state district courts are generally followed in State Engineer administrative proceedings. If you decide to represent yourself, you will be responsible for familiarizing yourself with these rules, the Rules of Civil Procedure for the District Courts of New Mexico, and all other rules of the Office of the State Engineer. Appearing pro se does not relieve you of the obligations of following the rules regarding discovery or evidence.

2. Burden of Proof

The burden of proof in all administrative hearings before the State Engineer or his designated Hearing Examiner is on the Applicant. This means the Applicant must prove each element of his case by a preponderance of the evidence. While the Water Rights Division may appear through the Administrative Litigation Unit and may present an independent evaluation of the proposed matter, the burden of proof remains on the Applicant. Neither Applicant nor Protestant should rely on the Administrative Litigation Unit to present their case, and Applicants should not expect the Administrative Litigation Unit to meet the Applicant's burden of proof for them. Each party is responsible for presenting its own evidence. ***The failure of the Applicant to meet his burden of proof will result in denial of the application.***

3. **Appointment of a Hearing Examiner**

The State Engineer has appointed a Hearing Examiner to hear this case. The appointed Hearing Examiner has the power to regulate the proceedings and take whatever actions are necessary for the efficient and orderly conduct of the hearings, including setting dates for hearings, ruling on motions, swearing witnesses, issuing subpoenas, and limiting and receiving testimony and exhibits into evidence during the administrative hearing pursuant to the rules of evidence.

4. **Ex Parte Contacts**

There will be no ex parte contacts between any of the parties and the Hearing Examiner. Ex parte contacts are discussions or communications regarding a pending application when all parties are not present. The Hearing Examiner serves as an administrative judge and it is improper to contact him or her regarding your case without the other parties being present or notified. Thus, you may not contact the Hearing Examiner either in person, by telephone or by mail without all other parties being informed and present. All parties must receive copies of all correspondence between themselves and the Hearings Unit or the Hearing Examiner.

5. **Pre-Hearing Scheduling Conference**

The Pre-Hearing Scheduling Conference is a conference held (often by telephone) at which the Applicant, Protestants and the Administrative Litigation Unit of the State Engineer meet with the Hearing Examiner to set a date for the hearing, clarify the issues in dispute, and establish a discovery schedule. The possibilities of settlement or mediation as well as for an expedited hearing may also be explored. All parties will receive notice of the time, place and date of the Pre-Hearing Scheduling Conference, from the Hearings Unit, as well as the amount of and date your hearing fee payment must be submitted. **Failure to appear at the Scheduling Conference or failure to submit the required hearing fee are sufficient grounds to dismiss you from the proceeding, or, if you are the Applicant, to deny the application.**

6. **Pre-Hearing Scheduling Order**

The Hearing Examiner will issue a Pre-Hearing Scheduling Order at or after the Pre-Hearing Scheduling Conference identifying the issues to be addressed, and setting dates for discovery, the date of the Pre-Hearing Administrative Conference, the date of the Administrative Hearing, and addressing any other matters the Hearing Examiner or parties deem appropriate. All parties are expected to meet and confer prior to the Conference to attempt to stipulate to the Pre-Hearing Scheduling Order. A form of the Order is enclosed

7. **Discovery**

The parties to the Administrative Hearing are permitted time to develop the evidence they wish to present at the hearing and to explore and ascertain the evidence of the other parties. While informal discovery by the parties is encouraged to reduce costs, parties may utilize all formal discovery methods, such as depositions or written interrogatories, and all parties are expected to comply with the rules of discovery as set out in the Rules of Civil Procedure for the District Courts of New Mexico.

8. **Instructions for Filing of Motions**

All Motions must be in writing and filed with the Hearings Unit. **Copies of the Motion and attachments must be provided to all other parties by the party filing the Motion.** The Request shall include:

- A. An affirmative statement in the Motion that the consent of other parties to the Motion was sought and not obtained or the reason such consent was not sought.
- B. If the Motion is unopposed by all parties, a proposed Order must also be submitted, affirmatively indicating the consent of the parties as to the motion.

Motions and Requests for Hearings not in compliance with this instruction will be disregarded.

Parties may respond to the Motion in writing within fifteen days of its receipt. The movant may reply within fifteen days thereafter. Copies of responses and replies must be provided to all parties. The Hearing Examiner may rule on a Motion based on the pleadings or schedule a hearing at his or her discretion. ***Failure to appear at any scheduled hearing may be grounds for denial of the application or dismissal of the protest.***

9. Pre-Hearing Administrative Conference

At some time shortly before the Administrative Hearing, the Hearing Examiner may schedule a Pre-Hearing Administrative Conference. The purpose of the conference is to have the parties stipulate to facts, agree to the admission of exhibits or otherwise seek rulings on exhibits and witnesses, to define and narrow the issues to be decided at the hearing so as to avoid duplicate, irrelevant or inadmissible testimony, and to issue a Pre-Hearing Order. The Hearing Examiner may take administrative notice of the relevant files on record at the Office of the State Engineer, however, the parties shall be responsible for introducing as exhibits those files that are relevant.

10. The Administrative Hearing

The Administrative Hearing is a formal proceeding at which the sworn testimony of witnesses is taken and exhibits are presented. All exhibits proposed to be admitted into evidence must be submitted in triplicate to the Hearings Unit. The hearing will be tape recorded, unless a party arranges for the hearing to be stenographically transcribed. That party is responsible for paying all costs associated with the stenographic transcription.

Generally, the Applicant presents its case first, followed by the Protestants. The Administrative Litigation Unit proceeds next. The Hearing Examiner may permit opening and closing statements, and may allow rebuttal. In all matters, the burden of proof is upon the Applicant and following the Applicant's case, either the Protestants or the Administrative Litigation Unit may move for dismissal on the grounds that the Applicant has failed to meet its burden of proof. The Rules of Evidence of the District Courts of New Mexico are generally followed, although the Hearing Examiner has the discretion to admit evidence that is not in strict conformity with those rules. At the conclusion of the Administrative Hearing, the Hearing Examiner may order post-hearing briefs or request proposed findings.

11. Recommendation of the Hearing Examiner and Decision of the State Engineer

After the Administrative Hearing, the Hearing Examiner makes a written report and recommendation to the State Engineer, generally within thirty days of the close of the Administrative Hearing or the receipt of post hearing briefs or proposed findings, whichever is latest. The State Engineer may adopt the findings in whole or in part, may reject the findings and enter his own, or may order that the hearing reconvene to take further evidence. The State Engineer's decision will be mailed to the parties or their attorneys.

12. Appeals from the State Engineer's Decision
Separate rules govern the filing of an appeal. Generally, any party dissatisfied with the decision of the State Engineer may appeal the decision to the district court of the county in which the appropriation or point of diversion is located. Appeals are made by serving a notice of appeal personally upon the State Engineer or his Administrative Secretary, the Attorney General, and all parties, within thirty days after receipt of the decision, filing timely proof of service with the district court and paying the court's docket fee.

IMPORTANT-READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM

2-09703
75.

APPLICATION FOR PERMIT

To Divert
To Appropriate the Underground Waters of the State of New Mexico

- Date Received 10-1-99 File No. L-11029
- Name of applicant Texaco Exploration and Production, Inc.
Mailing address P. O. Box 730
City and State Hobbs, NM 88240-0730
 - Source of water supply Shallow Water Aquifer, located in Lea County Basin
(artesian or shallow water aquifer) (name of underground basin)
 - The well is to be located in the NE 1/4 SE 1/4 Section 24 Township 19 South
Range 36 East N.M.P.M., or Tract No. _____ of Map No. _____ of the _____ District,
on land owned by State of New Mexico - Land Office
 - Description of well: name of driller RW-2, Scarborough Drilling, Inc., Lamesa, Texas;
Outside Diameter of casing 4" inches; Approximate depth to be drilled 70' feet;
 - Quantity of water to be appropriated and beneficially used 3.25 3.0 acre feet,
(consumptive use, diversion)
for Environmental Remediation purposes.
 - Acres to be irrigated or place of use _____ acres.

Subdivision	Section	Township	Range	Acres	Owner

7. Additional statements or explanations Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

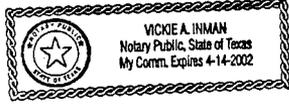
I, Mark J. Larson, affirm that the foregoing statements are true to the best of my knowledge and belief and that development shall not commence until approval of the permit has been obtained.

Texaco Exploration and Production, Inc., permittee.

By: [Signature]

Subscribed and sworn to before me this 29th day of September, A.D., 19 99.

My commission expires 4-14-2002 [Signature]
Notary Public



T# 172268

IMPORTANT-READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM

2-69703
75

APPLICATION FOR PERMIT

To ~~Appropriate~~ ^{Diver} the ~~Underground~~ ^{Underground} Waters of the State of New Mexico

- Date Received 10-1-99 File No. L-11030
- Name of applicant Texaco Exploration and Production, Inc.
Mailing address P. O. Box 730
City and State Hobbs, NM 88240-0730
 - Source of water supply Shallow Water Aquifer, located in Lea County Basin
(artesian or shallow water aquifer) (name of underground basin)
 - The well is to be located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 24 Township 19 South
Range 36 East N.M.P.M., or Tract No. _____ of Map No. _____ of the _____ District,
on land owned by State of New Mexico - Land Office
 - Description of well: name of driller RW-1, Scarborough Drilling, Inc., Lamesa, Texas;
Outside Diameter of casing 4" inches; Approximate depth to be drilled 70' feet;
 - Quantity of water to be appropriated and beneficially used 45,25 ~~3.0~~ 3.0 acre feet,
(consumptive use, diversion)
for Environmental Remediation purposes.
 - Acres to be irrigated or place of use _____ acres.

Subdivision	Section	Township	Range	Acres	Owner

7. Additional statements or explanations Pursuant to New Mexico Oil Conservation Division (NMOCD), Environmental Bureau Direction, and after correspondence between applicant and the Bureau, a plan has been approved to initiate corrective action. The action will include recovering water from said well, equipped with pumping equipment, and disposal of produced water in applicant's disposal system.

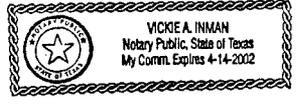
I, Mark J. Larson, affirm that the foregoing statements are true to the best of my knowledge and belief and that development shall not commence until approval of the permit has been obtained.

Texaco Exploration and Production, Inc.

By: [Signature]

Subscribed and sworn to before me this 29th day of September, A.D., 1999

My commission expires 4-14-2002 [Signature]
Notary Public



T# 172264



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 20, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z-274-520-595

Mr. Rodney Bailey
Texaco Exploration and Production, Inc.
205 E. Bender Blvd.
Hobbs, New Mexico 88240

**RE: SOIL AND GROUND WATER REMEDIATION
NEW MEXICO "F" STATE TANK BATTERY**

Dear Mr. Bailey:

The New Mexico Oil Conservation Division (OCD) has reviewed Texaco Exploration and Production, Inc.'s (TEPI) January 7, 1999 "SUBSURFACE INVESTIGATION REPORT, TEXACO EXPLORATION AND PRODUCTION, INC., NEW MEXICO "F" STATE TANK BATTERY, LEA COUNTY, NEW MEXICO, SEPTEMBER 1998" and September 22, 1998 "SUBSURFACE INVESTIGATION REPORT, TEXACO EXPLORATION AND PRODUCTION, INC., NEW MEXICO "F" STATE TANK BATTERY, LEA COUNTY, NEW MEXICO, SEPTEMBER 1998" which were submitted on behalf of TEPI by their consultant Highlander Environmental Corp. These documents contain the results of TEPI's investigation of soil and ground water contamination at TEPI's New Mexico "F" State Tank Battery. The documents also contain TEPI's plan for remediation of soils and ground water.

The above referenced remediation plan is approved with the following conditions:

1. The clay liner to be placed in the former excavation will be placed near the surface instead of at the base of the excavation so that it can be properly compacted and will be covered at the surface with a minimum of 1 foot of top soil. The liner will be compacted to 95% proctor and TEPI will supply the OCD with testing certification that the compaction design criteria have been met.
2. All below grade piping used to convey contaminated fluids will be pressure tested to three psi above operating pressure prior to operation.

Mr. Rodney Bailey
January 20, 1999
Page 2

3. All wastes generated will be disposed of at an OCD approved facility.
4. The annual report will be submitted to the OCD Santa Fe Office on April 1 of each year with a copy provided to the OCD Hobbs District Office. The report will contain the following information:
 - a. A summary of all remediation and monitoring activities which occurred during the past calendar year including conclusions and recommendations
 - b. A summary of the laboratory analytic results of water quality sampling of the monitor and recovery wells including copies of the laboratory analytical data and associated quality assurance/quality control (QA/QC) data for the past calendar year. The summary data from each monitoring point will be presented in tabular form and will list all past and present sampling results.
 - c. A ground water potentiometric map showing the direction and magnitude of the hydraulic gradient.
 - d. A product thickness map based on the thickness of free phase product on ground water in all monitor and recovery wells.
 - e. Isopleth maps for all contaminants of concern (ie. BTEX, chloride, etc.)
 - f. The total semiannual volume of fluid pumped from each recovery well and the total pumped to date.
 - g. The total semiannual volume of product recovered and the total volume recovered to date.
 - h. The disposition of all wastes generated.
 - i. As built construction details of the recovery system.
 - j. The results of all below grade line testing and the final liner compaction results.
5. The OCD cannot consider the site for final closure until ground water monitoring from all monitoring wells is below New Mexico Water Quality Control Commission standards for 8 consecutive quarters.

Mr. Rodney Bailey
January 20, 1999
Page 3

6. TEPI will notify the OCD Santa Fe Office at least one week in advance of all scheduled activities such that the OCD has the opportunity to witness the events and/or split samples.

Please be advised that OCD approval does not relieve TEPI of liability if the remediation plan fails to adequately remediate or monitor contamination related to TEPI's activities. In addition, OCD approval does not relieve TEPI of responsibility for compliance with any other federal, state or local laws and regulations.

If you have any questions, please call me at (505) 827-7154.

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office
Mike Matush, NM State Land Office
Mark Larson, Highlander Environmental Corp.

Z 274 520 595

US Postal Service

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PS Form 3800, April 1995



Highlander Environmental Corp.

Midland, Texas

January 7, 1999

RECEIVED

JAN 08 1999

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

Mr. William C. Olson
Hydrogeologist
New Mexico Oil Conservation Division
Environmental Bureau
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: Subsurface Investigation Report, Texaco Exploration and Production, Inc., New Mexico "F" State Tank Battery, Lea County, New Mexico, September 1998

Dear Mr. Olson:

Per the request of Mr. Rodney Bailey with Texaco Exploration and Production, Inc. (Texaco), please find enclosed one copy of the above-referenced report. The report documents the findings of subsurface investigations conducted at the New Mexico "F" State Tank Battery (Site), located northwest of Monument, New Mexico. Highlander Environmental Corp. (Highlander) conducted the subsurface investigations.

During a meeting on November 12, 1998, attended by personnel of Texaco, Highlander and New Mexico Oil Conservation Division (NMOCD), Highlander personnel presented the results of environmental investigations conducted at the Site and a proposed remediation plan. The NMOCD approved the remediation plan, which included filling the excavation with soil stockpiled at the Site, recovery of phase-separated hydrocarbons (PSH) and groundwater monitoring. The proposed groundwater monitoring plan was modified to include semi-annual (twice yearly) monitoring of wells MW-3, MW-4 and MW-5, and annual (once yearly) monitoring of wells MW-6, MW-7, MW-8 WW-1 and WW-2. All samples will be tested for benzene, toluene, ethylbenzene, xylene (collectively referred to as BTEX) and chloride. The NMOCD also requested annual reports summarizing PSH recovery efforts and groundwater monitoring results.

Please call if you have questions.

Sincerely,
Highlander Environmental Corp.

Mark J. Larson
Senior Project Manager

Encl.

cc: Mr. Rodney Bailey



STATE OF
 NEW MEXICO
 DEPARTMENT OF
 CONSERVATION
 DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 0815	Date 1/5/98
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<u>Originating Party</u>	<u>Other Parties</u>
Bill Olson - Environmental Bureau	Rodney Builey - Texaco (505) 397-0422

Subject
 NM State "F" State Tank Battery

Discussion
 Reviewed Texaco 12/7/98 correspondence

Conclusions or Agreements
 Gave verbal approval to backfill excavation as outlined in 12/7/98 letter

Distribution Signed *Bill Olson*



Texaco E & P

205 E. Bender Blvd.
Hobbs NM 88240
505 393 7191

December 7, 1998

DEC 10 1998

Mr. Bill Olson
Hydrologist
Environmental Bureau
Oil conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: New Mexico "F" State Old Battery
Unit Letter I Sec 24, T 19 S, R 36E

In our meeting on November 12, the following items were changed from the original work plan. Monitor wells # 1 and # 2 will be tested semi-annual. Monitor wells # 3 through # 8 will be tested annually. All water samples will be tested for BTEX and chloride.

Texaco proposes to blend the piles of soil and place the soil in the excavation with an maximum allowable TPH of 5000ppm. A compacted liner consisting of approximately 2 feet of clay (shale) will be placed on top of the soil. Clean topsoil, approximately 2 feet, will be placed on top of the clay and compacted. Area will be seeded with grasses approved by the State Land Department.

If you need additional information please call me at 505-397-0422.

Sincerely,

A handwritten signature in cursive script that reads "Rodney Bailey".

Rodney Bailey
EHS Professional
Hobbs Operating Unit



TEXACO

FAX TRANSMITTAL COVER SHEET

NOTE: DO NOT USE BLUE OR RED INK OR PENCIL ON THIS FORM. THEY WILL NOT REPRODUCE

DATE: 12-7-98 URGENT ROUTINE NO. OF PAGES C+1

MESSAGE TO: Bill Olson

TELEPHONE NO. _____ FAX MACHINE NO. _____

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

MESSAGE FROM: Rodney Bailey

TELEPHONE NO. _____ FAX MACHINE NO. _____

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

SENDING DEPT. APPROVAL _____ TIME TRANSMITTED _____

RETURN ORIGINAL VIA INTER-OFFICE MAIL RETURN ORIGINAL CALL SENDER TO PICK UP

ADDITIONAL COMMENTS:

Hard Copy will follow -



Texaco E & P

205 E. Bender Blvd.
Hobbs NM 88240
505 393 7191

December 7, 1998

Mr. Bill Olson
Hydrologist
Environmental Bureau
Oil conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: New Mexico "F" State Old Battery
Unit Letter I Sec 24, T 19 S, R 36E

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If you need additional information please call me at 505-397-0422.

Sincerely,

Rodney Bailey
EHS Professional
Hobbs Operating Unit



Highlander Environmental Corp.

Midland, Texas

September 22, 1998

Mr. William C. Olson
Hydrogeologist
Environmental Bureau
Oil Conservation Division
Energy, Minerals and Natural Resources Department
2040 S. Pacheco
Santa Fe, New Mexico 87505

RECEIVED

SEP 25 1998

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

Re: Subsurface Investigation Report, Texaco Exploration and Production, Inc., New Mexico "F" State Tank Battery, Lea County, New Mexico, September 1998

Dear Mr. Olson:

Please find enclosed one copy of the above-referenced report. The report documents the findings of a subsurface investigation conducted at the New Mexico "F" State Tank Battery, located northwest of Monument, New Mexico. Highlander Environmental Corp. (Highlander) conducted the investigation on behalf of Texaco Exploration and Production, Inc. (Texaco). Please call if you have questions.

Sincerely,
Highlander Environmental Corp.

Mark J. Larson
Senior Project Manager

Encl.

cc w/ enclosure: Mr. Rodney Bailey, Texaco
Mr. Larry Hall, Texaco
Mr. Wayne Price, OCD-Hobbs District

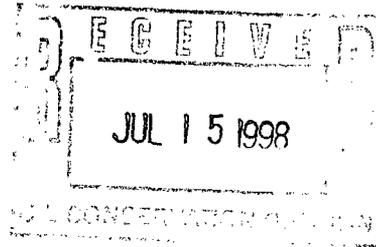


Texaco E & P

205 E. Bender Blvd.
Hobbs NM 88240
505 393 7191

July 10, 1998

Mr. Bill Olson
Hydrologist
Environmental Bureau
Oil conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



RE: New Mexico "F" State Old Battery
Unit Letter I Sec 24, T 19 S, R 36E

On April 6, 1998 Texaco began remediation on an old battery pit, with approval from Hobbs OCD, located in the above area. Texaco's use of the site discontinued years ago and equipment was removed. Recently, Amerada Hess Corp. constructed a satellite battery near the site and unearthed the former pit. At Texaco's request, the NMOCD conducted an inspection of the site and an agreement was reached to drill a soil boring in the Amerada Hess satellite to investigate the extent of contamination. This investigation discovered the groundwater was contaminated. Texaco is in the process of obtaining additional information and putting together a work plan. Verbal notification was given to Wayne Price of the Hobbs office on July 9, 1998.

If you need additional information please call me at 505-397-0244.

Sincerely,

Rodney Bailey
EHS Professional
Hobbs Operating Unit